[12th March 1954

THE HON. DR. U. KRISHNA RAO :—" Yes, Sir, it is a very general suggestion. I shall do so as soon as the schemes and proposals have been finalized."

SRI K. P. GOPALAN :—" Regarding Malabar, may I put before the Hon. Minister for Industries the following suggestions, viz. :—

(1) To open warping, sizing, dyeing and calendering institution;

(2) to open a Designing Institute at Cannanore? "

MR. SPEAKER :—" This question refers to the amount allotted to the Malabar district from the Handloom Cess Fund. The Hon. Minister had replied that the amount is not to be spent on a district war basis. But the hon. Member is giving suggestions."

THE HON. SRI C. RAJAGOPALACHARI :—" I think the hon. Member has got some suggestions to make to Government. He may send it to Government."

MR. SPEAKER :—" He may do so. But he should not offer suggestions here.

" I am afraid I must pass on to the next question."

Levy of sales-tax on making and repairing charges.

* 103 Q.—SRI V. K. RAMASWAMI MUDALIAR : Will the Hon. the Minister for Land Revenue be pleased to state—

(a) whether it is a fact that sales-tax is being collected for making or repairing any articles, for instance, making jewels or repairing machines; and

(b) whether any instructions have been issued to the officers of the Commercial Taxes department in the matter?

THE HON. SRI M. A. MANICKAVELU NAICKER :—" (a) Sales-tax is collected in respect of transactions relating to making or repairing any article if there is transfer of property in goods involved in the execution of the work, that is, if the contractor adds to the article received, materials of his own in the execution of the work and transfers these materials along with the article received to the owner. The tax is levied on the cost of the materials involved in the execution of the contract, the cost of labour involved being excluded from the turnover. If jewels are manufactured out of the gold or silver supplied by the customer, the transaction will not be liable to sales-tax.

" (b) The Madras General Sales Tax Act, 1939, the rules issued thereunder and the Madras Commercial Taxes Manual, Volume I, contain the law on this subject and copies of these publications have been supplied to the officers of the Commercial Taxes department."